Previous references.

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Indexed

Serial Nos. 1 — 2

Part B. for

SUBJECT.

Proposal to convert the loan of 2½ lakhs to the Maharaja of Mysore Spinning and Manufacturing Company (Ltd) into Debentures

Letter d 27. 2 1890 from the Agents, M. M. S & M. Co (Ltd Enquires whether the Durbar will agree to the transfer of the present loan of 2½ lakhs into debentures.

9852/209 d 13. 3. 1890 to Messrs. J. Scott and Co, Agents, M. M. S & M. Compa (Ltd). Informs that the Government are unable to take any debentures in the loan nor do they think it desirable to interfere with the first Mortgage Bond.

OFFICE OF THE
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eneral Serial No. 31.)

1889/90

46

From The Agents
Maharajah of Mysore Spinning
& Weaving Company.

398

Dated 27 Feby 1890

Despatched

Encl: Fin. 4 of 8c

Enclosures No. 2

neral No.
No.

Enquiring whether the
Durbar will agree to the
the present loan of 2½
to debentures

Maharajah of Mysore Spinning & Weaving Co.,

BANGALORE, 24th February 189

K. Seshadri Iyer, Esq. L.C.S.
Dewan to H.H. the Maharajah
of Mysore,

Sir,

Enclosed I forward Copy of Debenture Prospectus. We trust you will agree to the transfer of the present loan of 2½ lacs into debentures as per Prospectus. We find the present loan from the Government to be unworkable which would result in embarrassment. The Company requires one lac and fifty thousand working Capital at least, in fact it has borrowed that amount from Mr. Venkatavaradiengar for one year at 9% interest, it being impossible to carry on without it. This rate of interest of course is too high, The security to the Government is a common and substantial one, of that is so, is no all the same to the Government whether it be in Debentures or loan. Seeing this Industry is in the Territory of His Highness the Maharajah giving work to so many people, we trust you will treat this case with consideration, and if you require any change in the Bond as to Trustees or any other points we will be happy to meet your views, in any reasonable way. If you do favor us in this same lines as the prison

rate at 6%. That will be sufficient assurance, balance will be all taken up. Messrs Scott & Co their English friends and Shareholders will take. balance £150,000 without offering to the outside public at all. We accordingly await your favorable reply

We have the honor to be
Sir
Your most Obed Servants

Scott & Co
Agents

FOR PRIVATE CIRCULATION AMONGST SHAREHOLDERS.

THE MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY LIMITED

Six per cent First Mortgage Debentures 800 of Rupees 500 each, 4 Lakhs redeemable in 7 years.

Interest Coupons payable half-yearly. Security first charge on the whole property consisting of all the Building, all Spinning and Weaving Machinery as well as the Flour Grinding Plant and Buildings connected therewith. The whole property being good value for 9 lakhs of rupees, as a going concern. Since the erection of the Spinning and Preparatory department, Engines, Boilers and Machinery have risen in value in 1889 about 35 %, it will therefore be seen to erect such a concern now it would cost 35 % extra in the Machinery department. The Spinning and Preparatory department started to work fairly after training the hands about the middle of 1886. The Weaving Erection containing 187 looms is in course of erection. The flour department is also being completed.

The Company issues 800 Debenture Bonds of Rupees 500 each total Rupees 4,00,000, Coupons will be issued redeemable the last day of December 1897 Interest payable half yearly, viz 1st August and 1st January.

Four lakhs was the cost originally for the Mill Machinery and Building. Capital paid up 4½ lakhs leaving a surplus on this head of Rupees 50,000 loss Preliminary Expenses Rupees 27,000 leaving a balance of Rupees 23,000 and the whole of the original property clear.

Rupees 23,000 being balance of original Capital and 1,50,000 surplus from present Debenture Bonds, after disbursing the Government Loan of 2½ lakhs, leaves a clear working Capital of Rs. 1,73,000 which is the main object of this Debenture Loan, Working Capital being highly desirable to conduct the Company's business.

It will thus be seen by having a surplus working Capital of Rs. 1,73,000 that the Debenture holders have the security of a property worth Nine Lakhs of Rupees for 2 lakhs and 27,000.

First Mortgage the working Capital of Rs. 1,73,000 is so much cash in hand. But the Company reserves the right to use a portion if necessary for further extention, thus making the mortgage more valuable, for the Debenture holders.

It is proposed to pay off the Loan from the Mysore Government of 2½ lacs, and ask the Government as a favor to transfer the same amount into Debentures at 6 %

It is also proposed to execute a Trust Deed of all the property in favor of the Comptroller for the Mysore Government or Mr. T. Ananda Rao, Chief Secretary to the Dewan of Mysore as a Trustee representing the interests of the Government and another local gentleman Mr. S. Vencatavaradiengar late Secretary to the Legislative Council of His Highness the Maharajah's Government who is well known in Bangalore and is a gentleman of considerable wealth and position. The other Trustee will be Mr. James G. Scott the Agent who will represent the shareholders personally in England and in India.

SUMMAR.

Amount of Capital Rupees 4,50,000 all paid up.

Quantity of Spindles at work paid from Original Capital 10 432 spindles including Buildings.

Borrowed Capital from the Government for extension of 4,732 spindles in 1888 Rupees 2,50,000.

Rupees 1,67,700 spent on account of buildings and 4,732 spindles.

Second Extension of 187 Looms and Building paid from Government loan in 1890 Rupees 82,300 total expenditure on two extension Rupees 2,50,000. Original Capital all paid up Rupees 4,50,000.

Rupees 2,50,000 borrowed from Government shews a total expenditure of 7 Lacs, exclusive of the Flour department which has been paid from profits.

All application to be made to the Agents, Messrs James Scott & Co, at the Offices of the Maharajah of Mysore Spinning and Manufacturing Company Limited, Bangalore.

FOR PRIVATE CIRCULATION AMONGST SHAREHOLDERS.

THE MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY, LIMITED.

Six per cent First Mortgage Debentures 800 of Rupees 500 each 4 Lakhs redeemable in 7 years.

Interest Coupons payable half-yearly. Security first charge on the whole property consisting of all the Building, all Spinning and Weaving Machinery as well as the Flour Grinding Plant and Buildings connected therewith. The whole property being good value for 9 lakhs of rupees, as a going concern. Since the erection of the Spinning and Preparatory department, Engines, Boilers, and Machinery have risen in value in. 1889 about, 35 %, it will therefore be seen to erect such a concern now it would cost 35 % extra in the Machinery department. The Spinning and Preparatory department started to work fairly after training the hands about the middle of 1886. The Weaving Erection containing 187 looms is in course of erection. The flour department is also being completed.

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SUMMAR,

Amount of Capital Rupees 4,50,000 all paid up.

Quantity of Spindles at work paid from Original Capital 10,432 spindles including Buildings.

Borrowed Capital from the Government for extension of 4,732 spindles in 1888 Rupees 2,50,000.

Rupees 1,67,700 spent on account of buildings and 4,732 spindles.

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Rupees 2,50,000 borrowed from Government shews a total expenditure of 7 Lacs, exclusive of the Flour department which has been paid from profits.

All application to be made to the Agents, Messrs James Scott & Co, at the Offices of the Mahārajah of Mysore Spinning and Manufacturing Company Limited, Bangalore.

(General Serial No. 31.)

9651

1889/90 292

From Messrs Scott & Co

Agents, the Bengal ...

To ... Cotton Spinning ...

Manufacturing ...

Bombay

Dated 6 March 89

Despatched

Received 12 March 89

Enclosures No.

General No.

No.

Requesting to be informed whether the Directors entertain the Company's proposals re debentures and making certain other proposals.

THE MAHARAJAH OF MYSORE
Bangalore.
SPINNING & MANUFACTURING COMPANY, LIMITED.

50

6 March 1890

Seshadri Iyer Esq. B.A. L.

Dewan to H. H. the Maharajah

Bangalore.

Dear Sir,

Reminder Will you be good enough to say whether you entertain the Company's proposal re Debentures. If not the whole amount asked for - say a lesser sum, - if the Government declines, we know it is impossible to get money in India at 6% We have not received any of the promised Xmas replies regarding your reply. If your reply is not favorable we intend to increase the rate of interest to 7 1/2 % in this case would the Government be inclined to substitute the whole loan or any part of it, if not the Company must issue debentures equal to the Amount of the Govt loan to pay off the Govt the principle due yearly as per Deed of Mortgage. In the latter case would the Govt be inclined to take a portion of these 6 which would be 2 1/2 es, yielding 7 1/2 % for 8 years, we would give the Company Working Capital & put it in a position to pay off the Govt loan, we wish your sanction to the latter scheme, if all others fail. The debentures

(7)

holders for 2½ lacs provided him a second Mortgage on the property and a first Mortgage after Govt loan was paid up. Please give us an early reply probably when the Maharajah might take up 2½ lacs any portion of the debentures at 7½% with second Mortgage. If you think so kindly put the matter before His Highness.

We have the honour to be
Sir
Your Obed[t] Servants

Jardine Skinner & Co

Rec[d]
Post the [illegible] are [illegible]
to take any
debentures
under
the proposal
to them demand the
the first
[illegible]
[illegible]
[illegible]

(General Serial No. 31.)

1880/81

From

32

To Messrs for J. Scott & Co

Agents to the Manager of
Wynne Spinning & Manufacturing
Company (Ld)
Is this correct address?

Dated 1

Despatched 15 March - 1880

Received

Enclosures No.

General No. 985-4

No. 204

Sir

In reply to your letter
of 6th instant addressed to
the Secretary Wynne, I am
directed to state that the
Govt are unable to take any
debentures in the loan which
the Company purpose to float -
nor do they think it desirable
that the first mortgage to them
should in any way be interfered
with otherwise than
by redemption which the
Company will be allowed
to effect at any time with
waiting for the time specified in the contract for
repayment - I am Sir

Your obt Servt

13/3/80